



NATIONAL RAILWAY UTILIZATION CORP.
475 L'Enfant Plaza West Building / Suite 2970 / S.W. Washington, D.C. 20024 / (202) 554-7813

10665

RECORDATION NO. Filed 1425

JUL 24 1979 - 1 45 PM

INTERSTATE COMMERCE COMMISSION

Secretary
Interstate Commerce Commission
Constitutional Avenue
Washington, D.C.

July 24, 1979

RECORDATION NO. Filed 1425

JUL 24 1979 - 1 45 PM

INTERSTATE COMMERCE COMMISSION

9-205A018

Date JUL 24 1979

Fee \$ 100.00

ICC Washington, D.C.

RECORDATION NO. 10665 Filed 1425

JUL 24 1979 - 1 45 PM

INTERSTATE COMMERCE COMMISSION

Dear Mrs. Lee:

Please find enclosed for filing with the Interstate Commerce Commission the following documents covering fifty (50) 50'6" 70 ton type XM railroad boxcars bearing road numbers NSL 150850 through NSL 150899 (both inclusive):

Equipment Lease dated as of July 16, 1979 among CBT Leasing Corporation, as lessor, and National Railway Utilization Corporation and Pickens Railroad Company, as lessees

Assignment of Lease dated as of July 16, 1979 by CBT Leasing Corporation in favor of Equitable Leasing Corporation and an attached Consent by National Railway Utilization Corporation and Pickens Railroad Company

Security Agreement dated as of July 16, 1979 by CBT Leasing Corporation in favor of Equitable Leasing Corporation

The Equipment Lease has attached to it an executed Rental Schedule setting forth the lease term, rental and commencement date.

The address of National Railway Utilization Corporation is 1500 Market Street, 1100 Centre Square, Philadelphia, Pennsylvania, 19102. The address of Pickens Railroad Company is 402 Cedar Rock Street, Pickens, South Carolina, 29671. The address of CBT Leasing Corporation is 60 State Street, Boston, Massachusetts, 02108. The address of Equitable Leasing Corporation is 1510 Willow Lawn Drive, Richmond, Virginia, 23226.

Enclosed is a check in the amount of \$110.00 to cover the costs of filing.

Thank you for your kind assistance.

Very truly yours,

Carl F. Muller

Carl F. Muller

Carl F. Muller

Interstate Commerce Commission
Washington, D.C. 20423

7/24/79

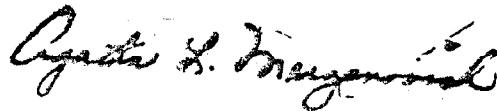
OFFICE OF THE SECRETARY

Carl F. Muller
National RYW. Utilization Corp.
475 L'Enfant Plaza West Building
Suite 2970, S.W.
Washington, D.C. 20024

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 7/24/79 at 1:45pm, and assigned recordation number(s). 10665, 10665-A, 10665-B

Sincerely yours,



Secretary

Enclosure(s)

SE-30
(3/79)

RECORDATION NO. 10665 Filed 1425

JUL 24 1979 - 7 45 PM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT


THIS SECURITY AGREEMENT made as of July 16, 1979 between CBT LEASING CORPORATION, a Massachusetts corporation with its principal place of business at 60 State Street, Boston, Massachusetts 02108 (the "Debtor") and EQUITABLE LEASING CORPORATION with an office at 1510 Willow Lawn Drive, P. O. Box 8765, Richmond, Virginia 23226 (the "Lender").

To secure the payment of the Debtor's promissory note (the "Note") of even date herewith payable to the order of the Lender in the principal amount of \$1,419,250 (said Note having been issued pursuant to the terms of a Participation Agreement among the Debtor, the Lender and the lessees hereinafter named, dated as of the date hereof), and to further secure Debtor's obligations hereunder and the obligations of the Lessee under the Lease referred to in paragraph 1 below, Debtor hereby assigns, transfers, mortgages and pledges to Lender, and grants to Lender a security interest in the following and in all proceeds thereof ("Collateral"):

1. all of the Debtor's right, title and interest in the Equipment Lease dated as of July 16, 1979 (the "Lease") in which NATIONAL RAILWAY UTILIZATION CORPORATION and PICKENS RAILROAD COMPANY are lessee ("Lessee") and Debtor is lessor (a copy of which is attached hereto as Exhibit A) and all rentals and other moneys payable thereunder or receivable by the Debtor under or in connection therewith, including all proceeds of insurance, condemnation and requisition proceedings, and sales or other dispositions of the property subject thereto, and all the Debtor's rights, powers and remedies therein and thereunder (but none of its duties or obligations thereunder, if any), including all the Debtor's rights to give and receive any notice, consent, waiver demand or approval under or in respect of such Lease, to exercise any election or option thereunder or in respect thereof, to accept any surrender of the property subject to the Lease, to execute and deliver any bill of sale for any such property, and to do all other things which the Debtor is entitled to do under such Lease; and

2. subject to the interest therein and rights of the Lessee under the Lease, all the equipment which may at any time be leased to the Lessee pursuant to the Lease (the "Equipment") (a listing of which is attached hereto as Exhibit B) and all the Debtor's right, title and interest in the Equipment and in all parts, fittings, accessories, accessions, substitutions and replacements therefor or thereof.


In furtherance of the foregoing, the Debtor has executed an Assignment of Lease dated as of the date hereof (the "Assignment") and attached hereto as Exhibit C and the Debtor hereby irrevocably



constitutes and appoints Lender as its attorney-in-fact, with full power of substitution and revocation, in the name of the Debtor or otherwise to demand, enforce, collect, receive and receipt and give releases for any payment or indemnity becoming due or arising under the Lease or any policy of insurance relating to the Equipment or other Collateral (including any return of insurance premiums), to endorse and collect any checks, drafts or other instruments payable to the Debtor therefor, and to do and take all such other actions as are referred to above relating to the Lease, the Equipment or other Collateral, to file any claims or institute any proceeding for the foregoing which Lender deems necessary, and to compromise any such demand, claim or action.

Except or otherwise provided herein and in the Assignment, so long as any amount remains owing on the Note, without Lender's prior written consent which shall not be unreasonably withheld, the Debtor will not itself grant any consent under the Lease, give any notice thereunder or otherwise exercise any rights, powers or remedies of the Lessor thereunder, or agree to any release of any obligation of the Lessee thereunder or to any modification or termination thereof. The Debtor hereby consents to and waives notice of the granting by Lender as assignee and secured party hereunder of indulgences to Lessee or extension of time for payment of any obligations of Lessee under the Lease, Lender's taking or releasing of any security for the obligations of the Lessee under the Lease, Lender's acceptance of partial payments on the Lease or settlement, compromising or compounding of any obligations of any person, primarily or secondarily liable on or with respect to the Lease, all in such manner and at such time or times as Lender may reasonably deem advisable. However, unless an Event of Default shall have occurred and be continuing hereunder, the Lender shall exercise none of the rights herein assigned without the prior consent of the Debtor (which consent shall not be unreasonably withheld). Further, Lender shall give notice to Debtor of its intent to exercise any rights herein assigned.

A. REPRESENTATIONS AND WARRANTIES - Debtor represents and warrants that:

1. there have been delivered to and accepted by the Lessee pursuant to the Lease, units of Equipment having an aggregate Acquisition Cost (as defined in the Lease) 142 equal to at least 70% of the principal amount of the Note. The Lease provides for the payment, on or before the installment payment dates of the Note, of rentals in amounts at least equal to the amounts of such installments of principal and interest under the Note. The original Lease has been delivered to Lender;
 2. the Debtor has good and marketable title to the units of Equipment referred to in subparagraph 1 above, subject only to the interests therein of the Lessee under the Lease;
 3. the Debtor has executed and delivered to Lender schedules describing in detail sufficient to identify them, the units of Equipment referred to in subparagraph 1 above;
 4. no event has occurred which is an Event of Default (or with the passage of time or the giving of notice or both would be such an Event of Default) hereunder or under the Lease;
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5. Debtor is a corporation validly existing under the laws of the Commonwealth of Massachusetts; it is duly qualified and authorized to do business wherever the nature of its property or its activities requires such qualification and authorizations; it has full power, authority and legal right to borrow the amount evidenced by the Note, and to perform and observe the terms and provisions of this Agreement, the Participation Agreement, the Assignment and the Note; this Agreement, the Participation Agreement, the Assignment and the Note, when issued for value, will constitute valid and binding obligations of the Debtor enforceable (within legal limits imposed by federal bankruptcy Laws or laws relating to or affecting creditor's rights generally) in accordance with the respective terms hereof and thereof;

6. the making and performance by the Debtor of this Agreement the Participation Agreement, the Assignment and the borrowing and execution and delivery of the Note have been duly authorized by all necessary corporate action and will not violate any provision of law or of the Debtor's by-laws or constitute a default under or result in the creation of any lien, charge or encumbrance upon any property or assets of the Debtor pursuant to any agreement, indenture or other instrument to which the Debtor is a party or by which it may now be bound;

7. there are no actions, suits, or proceedings pending or, to the knowledge of the Debtor, threatened, against or affecting the Debtor in any court or by or before any government department, agency or instrumentality in which any adverse decision might materially affect the ability of the Debtor to perform its obligations hereunder and under this Agreement, the Participation Agreement, the Assignment the Note; and

8. except as otherwise provided herein and in the Participation Agreement and the Assignment, without Lender's prior written consent which shall not be unreasonably withheld, so long as the Note remains unpaid, Debtor will not grant any consent under the Lease, give any notice thereunder or otherwise exercise any rights, powers or remedies of the Lessor thereunder, or agree to any release of any obligation of the Lessee thereunder or to any modification or any termination thereof.

B. DOCUMENTATION - The Debtor will execute and deliver to Lender such documents identifying the Equipment as Lender may from time to time reasonably request. In addition, the Debtor will execute, acknowledge, deliver, file and record all such documents, including financing statements, and take all such other action as may be necessary or as Lender may reasonably request, to perfect and continue perfected under applicable laws the security interests granted hereby as first lien security interests in the Collateral, and the Debtor hereby irrevocably constitutes and appoints Lender its attorney-in-fact for such purposes, with full power of substitution. The Debtor also will execute and deliver


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such instruments and take all such other action as Lender may reasonably request to effectuate the purpose of this Agreement and to secure the rights and remedies conferred upon Lender hereunder.

C. DEFAULT - Each of the following will constitute an event of default hereunder ("Event of Default"):

1. the failure by Debtor to pay any amount of principal of or interest on the Note when due, whether at the maturity thereof or by reason of any requirement for the prepayment thereof, by acceleration or otherwise, and such failure shall continue for ten (10) days after the Lender shall have notified Debtor of such failure to pay;
2. the failure by Debtor to pay any other amount or perform any other obligation when due hereunder, and such failure shall continue for 30 days after Lender shall have given the Debtor written notice thereof;
3. the occurrence of an Event of Default under the Lease (as defined therein) other than the failure of the Lessee to pay to the Lender any sums required to be paid by the Lessee to the Lender and such failure shall continue for ten (10) days after the Lender shall have notified Debtor of such failure to pay.
4. the adjudication of the Debtor as bankrupt or insolvent, or the entry of an order appointing a receiver or trustee or the Debtor or any of its property or approving a petition seeking reorganization, arrangement, composition adjustment of the debts, liquidation or dissolution under the Bankruptcy Act or any similar law of the United States or any state or other competent jurisdiction or the filing by the Debtor of a petition or answer seeking or consenting to any of the foregoing, or the making by the Debtor of a general assignment for the benefit of creditors; or
5. the occurrence of a breach of any of the Representations and Warranties under paragraph A hereof and such breach shall continue for 30 days after written notice to the Debtor from the Lender specifying such breach.


D. REMEDIES - Following the occurrence of an Event of Default (and only for those Events of Default arising other than under paragraphs c(1), c(2) and c(3) (insofar as payments to the Lender are concerned as provided therein) of this Agreement, following the lapse of an additional ten days) and while the same remains uncured, Lender may declare, by written notice to the Debtor, the entire unpaid balance of the principal of the Note and interest accrued thereon to be immediately due and payable, and, in addition, Lender shall have and may exercise all the rights and remedies of a secured party under the applicable Uniform Commercial Code, including the right, subject to prior rights of the Lessee under the Lease, to take possession of any Equipment or other Collateral not then in Lender's possession and to dispose of it, or the Debtor's interest therein, at public or private sale, at which Lender, subject to the provisions of applicable law, may be the



Any notice of any such sale required by law shall be reasonably and sufficiently given if given to the Debtor at least 15 days prior to the date thereof at the address and in the manner herein provided for notices. The proceeds shall be applied to the cost and expenses of collection and retaking as set forth in paragraph G and then shall be applied to the obligations secured by this Agreement in accordance with the provisions of paragraph F and Debtor will be entitled to any surpluses thereafter. No delay or omission on Lender's part to exercise any right hereunder will impair any such right or be construed as a waiver of any default or any acquiescence therein.

No waiver of any default hereunder will affect any later default or impair any of Lender's rights hereunder. No single, partial or full exercise of any rights by Lender will preclude further or other exercise thereof. The remedies provided for herein shall not be deemed exclusive, but are cumulative and in addition to all other remedies available under applicable law.

E. LIMITATION OF THE DEBTOR'S LIABILITY - Subject only to a default by the Debtor under subparagraph 5 of paragraph C and notwithstanding any other provision of this Agreement or of the Note, it is understood and agreed that all payments to be made by the Debtor under or pursuant to this Agreement and to the Note will be made only from the "income and proceeds from the Equipment" (as defined in this paragraph) and the Debtor's liability hereunder and under the Note will be limited thereto. For recovery upon default by the Debtor in the payment or performance of any of its obligations hereunder and under the Note, Lender will have resort solely to the "income and proceeds from the Equipment" and not to any other property of the Debtor. Lender will not proceed for the collection of any amount payable thereunder and under the Note, against, or execute upon, any other assets of the Debtor. Any judgment entered in any action for recovery of any amount due hereunder and under the Note against the Debtor will not be a lien against any other property of the Debtor, and Lender agrees to execute and deliver all documents and take all such other action as may be necessary to release of record from any such lien such other property of the Debtor. As used herein the term "income and proceeds from the Equipment" means


1. if any Event of Default shall have occurred hereunder and while it shall be continuing so much of the following amounts as are indefeasibly received by the Debtor, or by the Lender as assignee, under the Lease at any time after such occurrence and during the continuance thereof; (a) all amount of rentals and late charges in respect thereof paid pursuant to the Lease and all other amounts paid pursuant to the Lease for or with respect to any Equipment, and (b) any and all payments or proceeds so received by the Debtor, or the Lender as assignee, under the Lease for or with respect to the Equipment as the result of the sale, lease or other disposition thereof
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and after deducting all costs and expenses of such sale, lease or other disposition (including sales and transfer taxes, legal fees and expenses, and storage and delivery charges), and

2. at any other time, only that portion of the amounts referred to in the foregoing clauses (1)(a) and (1)(b) as are indefeasibly received by the Debtor or the Lender under the Lease and shall equal the portion of the unpaid principal balance of the Note, accrued interest thereon and all other amounts payable by the Debtor hereunder, to the extent then due thereunder or hereunder; it being understood that "income and proceeds from the Equipment" shall in no event include amounts referred to in the foregoing clauses (a) and (b) which were received by the Debtor or the Lender when no such Event of Default has occurred and was continuing and which exceeded the amount required to discharge the portion of the unpaid principal balance of the Note, accrued interest thereon on the date when such amounts were received by the Debtor or the Lender as assignee or were required to be paid to it pursuant to the Lease.

Except as otherwise provided, nothing herein contained shall limit, restrict, or impair Lender's right to accelerate payment of the Note upon the occurrence of an Event of Default, to bring suit and obtain a judgment against the Debtor on the Note or this Agreement for the full amount of the unpaid principal of the Note, interest thereon and all other amounts payable by the Debtor pursuant hereto (provided that the liability of the Debtor on any such judgment and the satisfaction thereof shall be limited as hereinabove provided), or to exercise (subject to the rights of Lessee under the Lease) Lender's rights and remedies hereunder with respect to the Collateral, including the Equipment and the Lease (including the right to enforce Debtor's rights under the Lease and to dispose of the Equipment and the Lease and to recover from the proceeds thereof the full amount of the unpaid principal of the Note, interest thereon and all other amounts payable by the Debtor pursuant hereto).

F. PREPAYMENT OF NOTE - If any amount shall become due and payable to the Debtor or the Lender pursuant to the Lease because of the loss, theft, irreparable damage or destruction of any units of Equipment, then, thereupon, a like aggregate amount will be immediately due and payable on account of the principal of and interest accrued on the Note. In the event of any partial prepayment of the principal of the Note pursuant to the first sentence of this paragraph F, the amount of each installment payment thereon thereafter coming due will be reduced by an amount which bears the same proportion to the amount of such installment which would have been due in the absence of such prepayment as the amount of such principal prepayment bears to the unpaid principal balance




outstanding immediately prior to such prepayment. All amounts received or collected by Lender as a result of exercising any of the remedies afforded Lender under paragraph D hereof shall be used to pay, first, all unpaid interest and, second, unpaid principal under the Note, and thereafter any surplus shall be paid to Debtor.

G. COLLECTION EXPENSES - Subject to the provisions of the preceding paragraph F hereof, in addition to all other amounts payable hereunder and under the Note, the Debtor will pay all Lender's reasonable expenses, including attorney's fees, incurred in enforcing its rights and remedies hereunder, under the Note or under the Lease. If Lender brings suit (or files any claim or petition in any bankruptcy, reorganization, insolvency or other proceeding) to enforce any of its rights (or other recovery or relief), Lender may recover in such action (or other proceeding), in addition to all other amounts payable hereunder and thereunder, its reasonable expenses in connection therewith, and the same shall be included in such judgment (or other form of award).

H. COLLECTION OF RENTALS - Until Lender may give Debtor and Lessee notice to the contrary and in accordance with the terms of the Participation Agreement, Lessee shall pay directly to the Lender all payments arising under the Lease to the extent that they equal all amounts owing on the Note. Lessee shall pay to Debtor the balance. Debtor will on behalf of itself and Lender supervise payment by the Lessee of all rentals and other money payable pursuant to the Lease, and the Debtor may take all such action as may be necessary or desirable to enforce, all such payments and to otherwise enforce compliance by Lessee with all terms and provisions of the Lease.

I. NOTICES - All notices, declarations, requests, consents and other communications given hereunder or in connection herewith or with the Note shall be in writing and delivered or deposited in the United States mail, registered or certified, postage prepaid, addressed to Debtor at its address stated above and to Lender at its address stated above, or to such other address as either may hereafter specify by written notice to the other.

J. APPLICABLE LAW - This Agreement is being delivered in and is intended to be performed in the Commonwealth of Virginia. This Agreement and the Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Commonwealth of Virginia.



K. SUCCESSORS AND ASSIGNS - This Agreement will bind and inure to the benefit of the respect successors and assigns of the parties hereto, including any holder, as such, of the Note. By acceptance of an assignment hereof or of the Note, each of the Lender's successors or assigns (including any holder, as such, of the Note) will be deemed to have agreed to be bound by the provisions hereof and of the Note and Lender's undertakings hereunder and thereunder, especially including the provisions of Section E, entitled "Limitation of the Debtor's Liability".

EXECUTED the date first above written.

Attest:

CBT LEASING CORPORATION

(CORPORATE SEAL)

By

Lawrence R. Seiden, Pres.

Joseph Seiden
Secretary and Clerk

COMMONWEALTH OF MASSACHUSETTS :

ss:

COUNTY OF SUFFOLK :

On this 23RD day of JULY 1979, before me personally appeared LAWRENCE R. SEIDEN, to me personally known, who, being by me duly sworn, says that he is RESIDENT of CBT LEASING CORPORATION that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)

[Signature]
Notary Public

My Commission expires:

NOVEMBER 22, 1979

EQUITABLE LEASING CORPORATION

Attest

By _____
Secretary

By W. M. Smith Jr.
Vice President

(Corporate Seal)

STATE OF _____ :
COUNTY OF District of Columbia : SS:

On this 23rd day of July 1979, before me personally appeared William N. Smith Jr., to me personally known, who, being by me duly sworn, says that he is V. President of Equitable Leasing Corp., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)

[Signature]
Notary Public

My Commission expires: 11-15-79

EXHIBIT A

EQUIPMENT LEASE

EQUIPMENT LEASE dated as of July 16, 1979 among CBT Leasing Corporation (hereinafter called "Lessor"), a Massachusetts corporation having a place of business at 110 State Street, Boston, Massachusetts 02108 and National Railway Utilization Corporation, a South Carolina corporation with its principal place of business at 1100 Centre Square East, 1500 Market Street, Philadelphia, Pennsylvania 19102, and Pickens Railroad Company, a South Carolina corporation with its principal place of business at 402 Cedar Rock St., Pickens, South Carolina 29671 (jointly and severally called "Lessee").

In consideration of the mutual covenants hereinafter contained, Lessor and Lessee agree as follows:

1. DEFINITIONS - The following terms shall, unless the context otherwise requires, have the following meanings for all purposes of this Lease:

(a) "EQUIPMENT" means the equipment described on each Rental Schedule now or hereafter executed pursuant to this Lease, and owned or to be owned by Lessor and leased by Lessor to Lessee or ordered by Lessor for lease to Lessee as provided herein.

(b) "ACQUISITION COST" of any item of Equipment means an amount equal to the sum of the purchase price of such item paid by the Lessor plus any applicable sales, use or excise taxes. For those fifty (50) units of Equipment scheduled for delivery on or about July 23, 197, the aggregate Acquisition Cost is Two Million Twenty-Seven Thousand Five Hundred Dollars (\$2,027,500).

(c) "CERTIFICATE OF INSPECTION AND ACCEPTANCE" means a certificate substantially in the form attached hereto and marked "Exhibit A" to be executed by Lessee, and dated the date of Lessee's acceptance for lease hereunder of any Equipment delivered to Lessee.

(d) "RENTAL SCHEDULE" means a schedule to be executed by Lessor and Lessee, substantially in the form attached hereto and marked "Exhibit B", setting forth a full description of Equipment to be leased hereunder, its Acquisition Cost, the amount of rent payable by Lessee with respect thereto, the lease term thereof, the Lease Commencement Date with respect thereto, and such other details as Lessor and Lessee may desire.

(e) "CASUALTY OCCURRENCE" and "STIPULATED LOSS VALUE" shall have the meanings specified in Section 13 hereof.

(f) "EVENTS OF DEFAULT" shall have the meaning specified in Section 18 hereof.

(g) "LEASE COMMENCEMENT DATE" with respect to an item of Equipment means the date of the commencement of the lease term of such item, and shall be the date such item is accepted by Lessee for lease hereunder.

2. AGREEMENT FOR LEASE OF EQUIPMENT - Lessor shall lease to Lessee and Lessee shall lease from Lessor such Equipment as may be mutually agreed, in the manner and upon the terms and conditions specified in this Equipment Lease. Lessee shall evidence its request to Lessor to order particular items of Equipment for lease to Lessee hereunder by executing and delivering a Rental Schedule for such Equipment to Lessor. Lessee's execution of such Rental Schedule shall obligate Lessee to lease the Equipment described therein from Lessor. This Lease is a net lease; the Lessee's obligations hereunder shall be absolute and unconditional, and, except as herein specifically provided, the Lessee shall not be entitled to any abatement of rent, reduction thereof or setoff against rent alleged to be due by reason of any past, present or future claims of the Lessee against the Lessor under this Lease; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Equipment, any prohibition or restriction against the Lessee's use of all or any of the Equipment, the interference with such use by any person or entity, or any insolvency of or any bankruptcy, reorganization or similar proceeding against the Lessee, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. However, nothing herein shall be construed to preclude Lessee from maintaining a separate action at law or in equity against Lessor or any other entity.

3. DELIVERY AND ACCEPTANCE OF EQUIPMENT - Lessor and Lessee understand that the manufacturer or vendor of the Equipment will deliver the Equipment at Renovo, Pennsylvania, or at the place of delivery specified in the Rental Schedules and such delivery shall be deemed to be delivery of the Equipment by Lessor to Lessee hereunder. Lessor hereby authorizes Lessee as its agent to accept for Lessor, and in Lessor's name, the Equipment from said manufacturer or vendor upon delivery. Upon such delivery, Lessee shall cause an inspector or inspectors of Lessee to inspect the Equipment, and if it is found to be acceptable, to accept delivery of such Equipment and execute and deliver to Lessor a Certificate of Inspection and Acceptance stating that such Equipment has been inspected and accepted on behalf of Lessee and Lessor on the date of such Certificate and is marked in accordance with Section 8 hereof, whereupon such Equipment shall be deemed to have been delivered to and accepted by Lessee and shall be subject thereafter to all the terms and conditions of this Lease.

4. NO WARRANTIES BY LESSOR - As between Lessor and Lessee, Lessee's acceptance for lease hereunder of any Equipment as evidenced by its execution of a Certificate of Inspection and Acceptance with respect thereto shall constitute Lessee's acknowledgement that such Equipment: (a) is of a size, design, capacity and manufacture acceptable to Lessee for lease hereunder, (b) is suitable for Lessee's purposes, (c) is in good order, repair, and condition, and (d) is subject to all of the terms and conditions of this Lease. LESSOR HEREBY MAKES NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS OR COVENANTS AS TO ANY MATTER WHATSOEVER, INCLUDING WITHOUT LIMITATION, THE CONDITION OF ANY EQUIPMENT, ITS MERCHANTABILITY, FITNESS, QUALITY, DURABILITY OR SUITABILITY FOR ANY PARTICULAR PURPOSE. Lessor makes no patent warranties or representations whatsoever. In no event shall any defect in, or unfitness of, any Equipment relieve Lessee of the obligation to pay rent or to make any other payments required hereunder or of any other obligation hereunder. Without limiting the generality of the foregoing, Lessor shall not be liable for any defects, either latent or patent, in any of the Equipment, or for any direct or consequential damage therefrom, and shall not be liable to Lessee for loss of use of any of the Equipment or for any interruption in Lessee's business occasioned by Lessee's inability to use any of the Equipment for any reason whatsoever. So long as no Event of Default exists, Lessor will, at Lessee's expense take any reasonable steps within its power to make available to Lessee any manufacturer's or similar warranty applicable to the equipment and make any assignment or other transfer of rights in and to such warranty.

5. LEASE TERM - The lease term of each item of Equipment shall commence on the Lease Commencement Date thereof and shall, unless sooner terminated pursuant to the provisions of Sections 13 or 18 hereof, be for the period specified on the Rental Schedule therefor including the number of days remaining in any partial first period if the Lease Commencement Date occurs on other than the first day of a regular rental period. As outlined in Section 22 hereof Lessee may extend the lease term of each item of Equipment for the extended term(s) specified on the Rental Schedule therefor by giving Lessor written notice of Lessee's intention to so extend at least 180 days prior to the expiration of the original term and each succeeding extended term, provided that at the time of the giving of each such notice no Event of Default hereunder has occurred and is continuing and provided that the lease term of such item of Equipment has not been sooner terminated as aforesaid. Notwithstanding the foregoing, the provisions of Section 10 shall apply as between Lessor and Lessee with respect to any Equipment from the time the Equipment is ordered by Lessor. Lessee hereby authorizes Lessor to insert the Lease Commencement Date for an item of Equipment on the Rental Schedule therefor when such item has been accepted by Lessee for lease hereunder. The words "lease term" as used in this Lease shall, for all purposes of this Lease, and unless the context otherwise requires, be deemed to include each extended term referred to above.

6. RENT - Lessee's obligation to pay rent for each item of Equipment shall commence on the Lease Commencement Date thereof. Lessee agrees to pay

Lessor throughout the lease term of each item of Equipment, the rent specified for each item of Equipment on the Rental Schedule therefor. If the Lease Commencement Date of an item of Equipment occurs on other than the first day of a rental period, the rent for the partial first period of the lease term of such item shall be determined by dividing the amount of regular period rent for such item by the number of days in a regular rental period and multiplying the quotient by the number of days remaining in said partial first period, including the Lease Commencement Date, and such partial first period's rent shall be payable with the first full period's payment of rent. Lessee hereby authorizes Lessor to insert the amount of such partial first period's rent for each such item of Equipment in the Rental Schedule therefor when such item has been accepted by Lessee for lease hereunder. The rents specified on the Rental Schedule(s) shall be payable unconditionally, without any deduction, counterclaim, set-off, further notice or demand, and together with all other payments due under this lease shall be payable directly to Lessor at Lessor's address or to such other party or at such other address as Lessor may from time to time designate in writing.

7. LESSEE'S REPRESENTATIONS AND WARRANTIES - Lessee represents and warrants that (a) at the time Lessor becomes owner of the Equipment, the Equipment will not have been placed in service by Lessee and to the best knowledge of Lessee will not have been placed in service by any other entity; (b) Lessee is a corporation legally incorporated and validly existing, in good standing, under the laws of its state of incorporation set forth above, with full corporate power to enter into this Lease and to pay and perform its obligations hereunder; (c) this Lease has been duly authorized, executed and delivered by Lessee and constitutes the valid, legal and binding obligation of Lessee, enforceable in accordance with its terms; (d) all approvals have been received which are required from any public regulatory body or from any parent or affiliate of Lessee or from any person, firm or corporation with respect to the entering into or performance of this Lease; (e) the entering into and performance of this Lease by Lessee, and the leasing of the Equipment hereunder by Lessee, will not result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance in or upon any Equipment pursuant to, any indenture, mortgage, deed of trust, or other lien of any nature whatsoever which now covers or affects, or which may hereafter cover or affect any property or interest therein of Lessee, or which now attaches or hereafter will attach to the Equipment leased hereunder or which in any manner affects or will affect adversely Lessor's right, title and interest therein; (f) there are no suits or proceedings pending, or to the knowledge of Lessee threatened, in any court or before any regulatory commission, board or other administrative governmental agency against or affecting Lessee, which will have a material adverse effect on the financial condition or business of Lessee; (g) the execution and delivery of this Lease, and all documents entered into in connection with this Lease have been duly authorized by all necessary corporate or other action and, except as provided under Section 11303 of the Interstate Commerce Act, do not require the consent, approval or withholding of objection by any person, party or governmental agency (except approval by Lessees' officers and directors) and, assuming proper execution by Lessor,

this Lease and such other documents constitute legal, valid and binding obligations of Lessee enforceable against Lessee in accordance with their respective terms; (h) that Lessee will file and record this Lease with the Interstate Commerce Commission pursuant to the Interstate Commerce Act; and (i) that, no other filing, recording or depositing or, any notice thereof is necessary to protect the Lessor's interest as Lessor in the Equipment in the United States of America.

8. IDENTIFICATION MARKS - Lessee, at Lessee's expense, shall cause each unit of Equipment to be kept numbered with its road number as set forth in the Rental Schedule with respect thereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each side of each unit of equipment in letters not less than one inch in height the following or similar words:

"Ownership subject to documents filed and recorded with the Interstate Commerce Commission pursuant to the Interstate Commerce Act."

with appropriate changes thereof and additions thereto as from time to time may be specified by Lessor and required by law in order to protect the title of the Lessor to such unit of Equipment, its rights under this Lease and the rights of any assignee of Lessor hereof. The Lessee will not place any such unit of Equipment in operation or exercise any control or dominion over the same until the required legend shall have been so marked on both sides thereof and will replace promptly any such names and word or words which may be removed, defaced or destroyed. The Lessee will not change the road number of any unit of Equipment except with the consent of the Lessor and in accordance with a statement of new road numbers to be substituted therefor, which consent and statement previously shall have been filed with the Lessor by the Lessee and filed, recorded or deposited in all public offices where this Lease shall have been filed, recorded or deposited.

Except as above provided, Lessee will not allow the name of any person, association or corporation to be placed on the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may cause the Equipment to be lettered with the names or initials or other insignia customarily used by Lessee on railroad equipment used by them of the same or a similar type for convenience of identification. Lessee shall indemnify Lessor, and any assignee of Lessor, against any liability, loss or expense incurred by any of them as a result of the aforesaid marking of the Equipment with such name, initials or insignia.

9. FEES AND TAXES - Lessee agrees to pay promptly when due, and to indemnify and hold Lessor harmless from, all license fees, title fees, registration fees, levies, imposts, duties, charges, withholdings and taxes (together with any penalties, fines or interest thereon), all assessed or imposed by any governmental or taxing authority, against or upon Lessor with respect to any Equipment or the purchase, acquisition, ownership, delivery, leasing, possession, use, operation, control, return or other disposition thereof, all pursuant to the terms of this Lease, or the rents,

receipts or earnings arising therefrom with respect to this Lease, excluding, however, any federal, state or local taxes levied on Lessor's net income, as net income is presently determined under the Federal Internal Revenue Code. In the event any such fees, levies, imposts, duties, charges or taxes are paid by Lessor, or if Lessor be required to collect or pay any thereof, Lessee shall reimburse Lessor therefor (plus any penalties, fines or interest thereon) promptly upon demand. Lessor will file all personal property tax returns covering the Equipment, and unless and until Lessor notifies Lessee in writing to the contrary, Lessor will pay the personal property taxes levied or assessed thereon directly to the levying authority. Lessee agrees to provide Lessor with information that Lessor shall reasonably require to file such property tax returns. Lessee will, promptly upon being invoiced by Lessor, reimburse Lessor for the full amount of such personal property taxes so paid by Lessor. In the event Lessor should request Lessee in writing to pay such personal property taxes directly, Lessee agrees that it will do so promptly, upon receipt of such notice. All of the obligations of Lessee under this Section with respect to any fees, levies, imposts, duties, charges, withholdings and taxes (together with any penalties, fines or interest thereon) assessed, levied, imposed or accrued prior to the expiration or other termination of this Lease or the lease term of all Equipment leased hereunder shall continue in full force and effect notwithstanding such expiration or other termination and are expressly made for the benefit of, and shall be enforceable by, Lessor.

10. INDEMNIFICATION BY LESSEE - Except as otherwise provided herein Lessee agrees to indemnify and hold Lessor harmless against any and all claims, demands, liabilities, losses, damages, injuries, fees (including attorney's fees), costs, expenses, penalties, and interest, in any way arising from this Lease and during the term of this Lease and unless such have been caused by the Lessor and relating to the following items:

- (a) Lessor's purchase, acquisition and ownership of, and title to, any Equipment (excepting the Acquisition Cost and any attorneys or other fees associated with the entering into of this Lease and the transactions contemplated hereby);
- (b) the possession, maintenance, condition (including without limitation, latent and other defects whether or not discoverable by Lessor), use, operation, control, loss, damage, destruction, removal, return, storage, surrender, sale or other disposition of any Equipment;
- (c) any accident in connection with the possession, operation, use, condition, control, return or storage of any Equipment resulting in damage to property or injury to any person;
- (d) all costs, charges, damages or expenses for royalties and/or claims and expenses of litigation, arising out of or in any way connected with the assertion of any claim or demand based upon any infringement or alleged infringement of any patent or other right, by or in respect of any Equipment; and
- (e) strict liability in tort.

The indemnification by Lessee under this Section 10 shall survive the payment of all other obligations under, and the termination of, this Lease and the lease term of all Equipment leased hereunder.

11. USE OF EQUIPMENT - Lessee warrants and agrees that the Equipment will at all times be used and operated under and in compliance with the laws of the jurisdictions in which the Equipment may be located and operated, the Interchange Rules of the Association of American Railroads, if applicable, and in compliance with all lawful acts, rules, regulations and orders of any judicial, legislative or regulatory body having power to regulate or supervise the use of the Equipment including, but not limited to, the rules and regulations of the United States Department of Transportation and the Interstate Commerce Commission. Lessee further warrants and agrees that the Equipment will be used upon its lines of railroad or upon lines of railroad over which Lessee has trackage or other operating rights or over which railroad equipment of Lessee is regularly operated pursuant to contract or upon other railroads in the usual interchange of traffic (if such interchange is customary at the time); provided, however, that Lessee will not permit the assignment of any Equipment to service involving the regular operation and maintenance thereof outside of the United States of America except for temporary use in the Dominion of Canada in the ordinary interchange of traffic. Lessee shall not permit any liens, charges or encumbrances to be placed on or levied against the Equipment other than liens, charges or encumbrances placed thereon by Lessor or by persons claiming against Lessor but not Lessee. Lessee agrees to procure and maintain in effect all licenses, certificates, permits and other approvals and consents required by federal, state, county, municipal, or foreign laws and regulations in connection with the possession, use, operation and maintenance of the Equipment. Lessee agrees that without the prior written consent of the Lessor or the Lessor's assigns, which consent shall not be unreasonably withheld, Lessee will not assign or transfer its rights under this Lease, or sublease any of the Equipment, and Lessee also agrees that: (1) such sub-lease or assignment shall be subject to the jurisdiction of the Interstate Commerce Commission; (2) such sub-lease or assignment shall be subject and subordinate to the Lease; and (3) the term of any such sub-lease or assignment shall not extend beyond the original and any renewal term of this Lease. In the event of the happening of an Event of Default hereunder, Lessor may, in addition to other remedies provided for herein, enforce the rights of the Lessee under any such sub-lease for the account of the Lessor in the Lessee's name.

12. IMPROVEMENT, MAINTENANCE AND REPAIR OF EQUIPMENT - Lessee will, at its own expense, (a) maintain the Equipment in good and safe operating order, repair and condition, ordinary wear and tear excepted, and in accordance with the requirements of any governmental authority, domestic or foreign, having jurisdiction thereof, (b) will pay for all fuel, service, inspections, overhauls, replacements, substitutions, materials and labor necessary or desirable for the proper use, repair, operation and maintenance of the Equipment, and (c) will keep the Equipment protected from the elements when not in use. Lessee, at its sole cost and expense, may modify and make additions or improvements to the Equipment, provided that (i) such alterations, modifications, additions or improvements do not eliminate the multi-use capabilities

of the Equipment, or reduce the value or utility of the Equipment or impair the certification, performance, safety, quality, capability, use or character of the Equipment, (ii) Lessee promptly notifies Lessor and its assigns in writing of the nature of any such alterations, modifications, additions and improvements, (which modifications, additions and improvements shall, unless and until removed by Lessee at the request of Lessor, automatically become the sole property of Lessor and subject to the terms of this Lease, and included in the term "Equipment") and (iii) upon the termination of the lease term of any Equipment as to which such alterations, modifications, additions and improvements have been made, Lessee, if requested to do so by Lessor, shall remove any such alterations, modifications, additions and improvements, and restore such Equipment to its original condition as of the Lease Commencement Date with respect thereto, reasonable wear and tear only being excepted.

13. LOSS, DAMAGE OR DESTRUCTION OF EQUIPMENT - Lessee shall bear all risks of damage to, or loss or destruction of, any Equipment during the lease term thereof and until such Equipment has been returned to Lessor pursuant to the provisions of Sections 16 or 18, whichever is applicable. Except as otherwise herein expressly provided, no such damage to, or loss or destruction of, any Equipment, shall impair any obligation of Lessee to Lessor, under this Lease, including, without limitation, the obligation to pay rent. In the event that any item of Equipment shall become lost, stolen, destroyed or irreparably damaged from any cause whatsoever, or if any item of Equipment or Lessor's title thereto shall be requisitioned or seized by any governmental authority (each such occurrence being hereinafter called a "Casualty Occurrence") during the lease term of such item and until such item has been returned to Lessor in accordance with the provisions of Section 16 or 18 hereof, whichever is applicable, Lessee shall promptly notify Lessor in writing of such fact, fully informing Lessor of all details with respect thereto, and shall, within thirty (30) days after such Casualty Occurrence, pay Lessor an amount equal to the sum of (i) all rentals then due including rentals accrued on a daily basis to the date of such Casualty Occurrence, (ii) the "Stipulated Loss Value" as set forth in Schedule A or any subsequent Schedule which may hereafter be made a part thereunder computed as of the date of such Casualty Occurrence, (iii) interest on the sum of (i) and (ii) above from the date of such Casualty Occurrence to the date of receipt of payment by Lessor at the rate of 12 percent per annum (or the maximum per annum rate of interest permitted by law, whichever is less) and (iv) all other unpaid amounts due Lessor hereunder pertaining to the Items of Equipment suffering such casualty. Upon payment of item (i) through (iv) to Lessor, this Lease shall terminate with respect to the Equipment or part thereof so paid.

Any insurance or other proceeds received as the result of a Casualty Occurrence with respect to an item of Equipment shall be applied first in reduction of any then unpaid obligation of Lessee to Lessor hereunder and second to the reimbursement of Lessee for its payment of such "Stipulated Loss Value" and to the reimbursement of the Lessee for all its expenses associated with collecting and paying any amounts owed by a third party as a result of the damage to or loss of or destruction of any Equipment. All excess amounts then shall be paid to Lessor. In the event that an item of Equipment has been damaged, but not irreparably, Lessee at the option of Lessor shall:

- (a) place the same in good repair, condition and working order; or
- (b) replace the same with property "similar or related in service or use to the property so converted" (within the meaning of Section 1033 of the Internal Revenue Code) in good repair, condition and working order, which property shall thereupon become subject to this Lease.

In the event of such damage which can be repaired or Equipment which can be replaced, Lessor shall, if no Event of Default has occurred and continuing hereunder, release to Lessee the proceeds of any insurance or other payment received by Lessor as a result of such damage or loss for the purpose of reimbursing Lessee for the costs of repairing or restoring such item, upon receipt by Lessor of evidence, satisfactory to Lessor, that such repair or restoration has been completed, and an invoice therefor.

14. ANNUAL REPORTS - On or before March 1 of each year, commencing with March 1 next following the date hereof, Lessee will cause to be furnished to Lessor, if requested, an accurate statement, as of the preceding January 1, (a) showing the amount, description and identifying numbers of all items and Equipment that may have suffered a Casualty Occurrence during the preceding twelve (12) months (or since the date of this Lease, in the case of the first such statement), and such other information regarding the condition and state of repair of such items as Lessor may reasonably request, (b) certifying that all items of Equipment have been marked as required by Section 8 hereof, and (c) certifying that all items of Equipment continue to remain within the territorial limitations provided in Section 11 hereof. Lessor shall have the right at its sole cost and expense, by its authorized representatives upon reasonable notice to Lessee, to inspect the items of Equipment and Lessee's records with respect thereto, at such times as shall be reasonably necessary to confirm to Lessor the existence and proper maintenance thereof during the continuance of this Lease.

In addition, the Lessee will deliver or cause to be delivered as promptly as possible, but in any case not later than 120 days after the end of its fiscal year, to the Lessor (a) a consolidated annual financial report of the Lessee prepared in accordance with generally accepted accounting principles consistently applied and audited and certified by a recognized public accounting firm, which shall include, without limitation, a statement of income and retained earnings and a balance sheet, all in reasonable detail and satisfactory in scope to the Lessor, and (b) as soon as available and to the extent available, and in any event within 60 days after the first, second and third quarterly accounting periods in each fiscal year of the Lessee, copies of the consolidated balance sheet of the Lessee as of the end of such accounting period and copies of related consolidated statements of income of the Lessee for the portion of the fiscal year then ended with the last day of such quarterly accounting period, all in reasonable detail and satisfactory in respect to the Lessor.

The Lessor, at its sole cost and expense, shall have the right to discuss the affairs, finances and accounts of the Lessee relating to the Equipment and to the transactions contemplated by the Lease and agreements in respect

thereto with the Lessee's officers, employees and independent public accountants. Further, Lessee agrees to furnish Lessor from time to time and upon Lessor's request such other reports as Lessee shall make available in the regular course of its business to its shareholders.

15. INSURANCE - Lessee will maintain, at its sole cost and expense, at all times during the lease term of any Equipment, and until such Equipment has been returned to Lessor in accordance with the provisions of the Sections 16 or 18, whichever is applicable, with reputable insurers acceptable to Lessor (a) insurance in an amount not less than the "Stipulated Loss Value" (hereinbefore defined) of each such item of Equipment leased hereunder, insuring against loss and/or damage to such Equipment arising out of any risk covered by fire, windstorm, explosion, and extended coverage and against such other risks as are customarily insured against by companies owning property of a similar character and engaged in a business similar to that engaged in by Lessee, and (b) comprehensive public liability and property damage insurance in amount of ten million dollars, single limit coverage, insuring against liability for death, bodily injury and property damage resulting from ownership, maintenance, use or operation of the Equipment. All insurance policies shall (i) name Lessor as an additional insured, with losses under the physical loss and/or damage policies to be payable to Lessor and Lessee (and also to an assignee of Lessor, if requested by such assignee) as their respective interests may appear, (ii) provide that the policies will not be invalidated as against Lessor (or as against any assignee of Lessor) because of any violation of a condition or warranty of the policy or application therefor by Lessee, and (iii) provide that the policies may only be materially altered or cancelled by the insurer after thirty (30) days prior written notice to Lessor and to any assignee of Lessor. Lessee shall deliver to Lessor, prior to the Lease Commencement Date for any item of Equipment (or at such other time or times as Lessor may request) a certificate or other evidence of the maintenance of all such insurance satisfactory to Lessor. In the event of failure on the part of Lessee to provide and furnish any of the aforesaid insurance, Lessor may procure such insurance and Lessee shall, upon demand, reimburse Lessor for all expenditures made by Lessor for such insurance, together with interest thereon computed at the rate of twelve percent (12%) per annum (or the maximum per annum rate of interest permitted by law, whichever is less), from the date of Lessor's payment until reimbursed by Lessee. The comprehensive physical loss or damage insurance policy or policies shall also provide that upon receipt by the insurer from Lessor of any written notice of the occurrence of an Event of Default hereunder, any proceeds payable by said insurer with respect to any loss or destruction of, or damage to, any Equipment, shall be payable solely to Lessor (and to any assignee of Lessor, if requested by such assignee) from the date of said insurer's receipt of such written notice, up to the date said insurer shall receive written notice from Lessor that said Event of Default is no longer continuing hereunder. However, Lessor acknowledges that Lessee shall have the right to self-insure the Equipment only with respect to Casualty Occurrences as outlined in Subsection (a) above as long as Lessee's net worth shall be at least \$6,000,000 and during any twelve (12) month period Lessee shall incur no cash loss of earnings in excess of \$1,000,000.

16. RETURN OF EQUIPMENT - Upon the termination or expiration of the lease term of any unit of Equipment Lessee shall deliver each unit of Equipment to Lessor or its designee or to a subsequent lessee at a reasonable location specified by the Lessor within 60 days of termination of the Lease. Lessee will use its best efforts to obtain loads for the Equipment, acceptable to the Lessor, going in the direction of the location designated by the Lessor; provided that in this effort Lessee shall not give preference to the Equipment subject to this Lease and that Lessee shall not discriminate against the Equipment subject to this Lease. In the event that any transportation charges are incurred for the delivery of the Equipment to any location upon termination, the Lessee shall bear the expense of charges pertaining to the transportation of the Equipment for a maximum distance of 250 miles. In the event that the Equipment is delivered to the Lessor upon storage tracks owned by the Lessee, then the Lessee shall provide to Lessor a maximum of 90 days free storage of the Equipment upon those storage tracks and thereafter will lease track space to Lessor at the current rental rate. In the event that the Equipment is delivered to the Lessor other than upon storage tracks owned by the Lessee, then at the request and at the expense of the Lessor, the Lessee shall use its best efforts to obtain suitable storage tracks for the Equipment upon suitable terms and the Lessee shall charge no agency fee for this service. At the time of delivery the Equipment shall be empty, free from residue, in the same good order and condition as when delivered to Lessee hereunder, normal wear and tear excepted, and in the condition and repair required according to the Interchange Rules of the Association of American Railroads. Lessee shall, on demand, reimburse Lessor for the expense of cleaning any item of Equipment that contains residue or such other cost which may be incurred to place such item of Equipment in the condition described above. During any storage period, Lessee will permit Lessor or any person designated by it, including authorized representative or representatives of any prospective purchaser of any such unit of Equipment to inspect the same.

If any unit of Equipment is not redelivered to Lessor or not delivered to a subsequent lessee on or before or 90 days after the date on which the lease term ends, or in the event that a unit of Equipment so delivered is not in the condition required by this Section 16, Lessee shall pay rental for each day that such unit of Equipment is not delivered after the term ends or until such unit of Equipment is delivered in the condition required, at the prorated quarterly rental rate required under this lease. Lessee shall pay to Lessor on or before the last day of each month the amount Lessee is obligated to pay to Lessor for such month under this Section. If Lessee is unable to return, or is prevented from returning, any Equipment to Lessor within 90 days after the expiration or termination of the lease term, as required under this Section 16 hereof, for any reason whatsoever, including, but not limited to, the assertion by any third party of any claim against such Equipment, or of any right with respect thereto, then, in any such event, Lessee shall forthwith notify Lessor in writing of such fact. At the election of the Lessor such Equipment shall, for all purposes of this Lease be deemed to have been the subject of a Casualty Occurrence, and Lessee shall pay Lessor the amounts provided in Section 13 hereof, with respect to such Equipment, at the time, in the manner, and with the consequences provided in such Section. In addition to any other indemnity

provided herein and any payments to be made to Lessor hereunder, Lessee shall also indemnify and hold Lessor harmless from and against all losses, damages, injuries, liabilities, claims and demands whatsoever, including those asserted by a subsequent lessee arising out of or as a result of such late delivery or failure to deliver in the condition required.

17. LESSOR'S OWNERSHIP - Lessee acknowledges and agrees that it has not, and by the execution of this Lease it does not have or obtain, and by payments and performance hereunder it does not and will not have or obtain, any title to the Equipment, nor any property right or interest, legal or equitable, therein, except its rights as Lessee hereunder and subject to the terms hereof.

18. EVENTS OF DEFAULT - If, during the continuance of the Lease, one or more of the following events (hereinafter called "Events of Default") shall occur:

- (a) Default shall be made in the payment of any rent hereunder, or default shall be made in the payment of any obligation provided for in this Lease, and any such default shall continue for more than five (5) days after written notice thereof to Lessee;
- (b) Lessee shall default in the observance and/or performance of any other covenant, condition and agreement on the part of Lessee to be observed and/or performed under this Lease and such default shall continue for twenty (20) days after the written notice from Lessor to Lessee specifying the default and demanding the same to be remedied;
- (c) Any representation or warranty made by Lessee herein or in any document or certificate furnished to Lessor in connection herewith or pursuant hereto shall at any time prove to be incorrect when made in any material respect and is not cured by Lessee within twenty (20) days after receipt from Lessor of notice;
- (d) Lessee shall make or permit any unauthorized assignment or transfer of this Lease or of Lessee's rights and obligations hereunder, or Lessee shall make or permit any unauthorized sublease or transfer of any Equipment, or the possession of same;
- (e) Lessee shall make an assignment for the benefit of its creditors, or cease being in substantially the same line or lines of business in which Lessee is presently engaged, or cease doing business as a going concern, or become insolvent or bankrupt or admit in writing its inability to pay its debts as they mature, or consent to the appointment of a trustee or receiver, or a trustee or a receiver shall be appointed for Lessee or for a substantial part of Lessee's property without Lessee's consent and such appointment shall not be dismissed for a period of sixty (60) days, or bankruptcy, reorganization, insolvency, arrangement, or liquidation proceedings shall be instituted by or against Lessee and, if instituted against Lessee, shall not be discharged or

dismissed for a period of thirty (30) days, or Lessee's corporate existence shall terminate; or

- (f) There shall occur any termination or a material alteration in the scope of coverage of, a reduction in the maximum amounts payable under any insurance required to be maintained by Lessee pursuant to this lease and such default shall not be remedied within (5) days after notice from Lessor.

then, in any such case, Lessor, at its option, may do any one or more of the following:

- (1) declare this Lease in default upon written notice to Lessee, whereupon, the entire amount of rent remaining to be paid over the balance of the lease term of all Equipment then leased hereunder, computed from the date of Lessee's default, shall become immediately due and payable;

- (2) proceed by appropriate court action or actions at law or in equity or in bankruptcy to enforce performance by Lessee of the covenants and terms of this Lease and/or to recover damages for the breach thereof;

- (3) terminate this Lease upon written notice to Lessee;

- (4) whether or not this Lease be so terminated, and without notice to Lessee, repossess the Equipment wherever found, with or without legal process, and for this purpose Lessor and/or its agents may enter upon any premises of or under control or jurisdiction of Lessee or any agent of Lessee without liability for suit, action or other proceeding by Lessee (any damages occasioned by such repossession being hereby expressly waived by Lessee) and remove the Equipment therefrom.

With respect to any Equipment returned to Lessor, or repossessed by Lessor pursuant to subparagraph (4) above, Lessor may hold or use such Equipment for any purpose whatsoever if this Lease has been terminated, or if it has not been terminated, Lessor shall either sell same at a private or public, cash or credit sale, or re-lease same for such term and upon such rental as shall be solely determined by Lessor. In the event of the sale or re-leasing by Lessor of any such Equipment, Lessee shall be liable for, and Lessor may forthwith recover from Lessee as liquidated damages for breach of this Lease, and not as a penalty, an amount equal to such sum of (X) the entire amount of rent which would have accrued for the balance of the lease term of such Equipment, computed from the date of Lessee's default, plus (Y) an amount equal to the percentage of the Acquisition Cost to Lessor of such Equipment, shown as the last percentage factor on the Schedule A ("Stipulated Loss Value") applicable to such Equipment, (which amount represents Lessor's estimate, as of the date of the execution of this Lease, of what the minimum value of such Equipment would be at the end of the lease term), less (Z) the proceeds of any sale or re-leasing of such Equipment, after first deducting therefrom all costs and expenses of repossession, storage, repairs, reconditioning, sale, releasing, attorneys' fees and collection fees with respect to such Equipment.

If Lessee fails to deliver any Equipment to Lessor or Lessor is unable, for any reason, to effect repossession of any Equipment, then with respect to such equipment, Lessee shall be liable for, and Lessor may forthwith recover from Lessee as liquidated damages for breach of this Lease, and not as a penalty, an amount equal to the sum of the amounts specified in items (X) and (Y) above for such Equipment.

Whether or not any Equipment is returned to, or repossessed by Lessor, as aforesaid, Lessee shall also be liable for, and Lessor may forthwith recover from Lessee, all unpaid rent and other unpaid sums that accrued prior to the date of Lessee's default. In addition to the foregoing, Lessor may also recover from Lessee all costs and expenses, including without limitation reasonable attorneys' fees and fees of collection agencies, incurred by Lessor in exercising any of its rights or remedies hereunder.

Since pursuant to the foregoing Lessor may receive or recover payment of the amounts specified in subparagraph (1) and items (X) and (Y) above earlier than Lessor would otherwise be entitled to receive or recover same but for Lessee's default, such amounts shall be discounted to their then present value at the rate of six percent (6%) per annum, and there shall be added to such amounts, after such discount, interest at the rate specified in Section 21.1 hereof from the date of Lessee's default up to the date of the payment of such amounts to Lessor.

In the event that any court of competent jurisdiction determines that any provision of this Section 18 is invalid or unenforceable in whole or in part, such determination shall not prohibit Lessor from establishing its damages sustained as a result of any breach of this Lease in any action or proceeding in which Lessor seeks to recover such damages. Any repossession or resale of any Equipment shall not bar an action for damages for breach of this Lease, as hereinbefore provided, and the bringing of an action or the entry of judgment against Lessee shall not bar Lessor's right to repossess any or all Equipment.

The remedies herein provided in favor of Lessor, shall not be deemed to be exclusive, but shall be cumulative and shall be in addition to all other remedies in Lessor's favor existing in law, in equity or in bankruptcy.

19. ASSIGNMENT AND MORTGAGE - Lessor may assign this Lease, and may grant a mortgage on, or security interest in, any Equipment to any such assignee, in whole or in part, without notice to, or the consent of, Lessee. Each such assignee shall have all of the rights but none of the obligations of Lessor under this Lease and Lessee shall, upon receipt of written notice thereof, recognize each such assignment and mortgage or security interest and shall accept and comply with the directions or demands given in writing by any such assignee. Lessee shall not assert against such assignee any defense, counterclaim or set-off that Lessee may have against Lessor. However, nothing herein shall relieve Lessor from its obligations to Lessee hereunder. After any such assignment this Lease may not be amended or modified without the prior written consent of any such assignee. Upon any assignment of this Lease or the granting of any mortgage on, or security interest in, any of the Equipment, Lessor or its assignee may record any instruments relating to the assignment, mortgage, or security interest desired by Lessor or such assignee in accordance with the laws of appropriate jurisdictions.

20. RECORDING AND FILING: EXPENSES - The Lessee agrees and covenants that prior to the delivery and acceptance of the first unit of Equipment, Lessee will, at its sole expense, cause this Lease to be duly filed, registered or recorded in conformity with Section 1303 of the Interstate Commerce Act and will furnish the Lessor proof of such filing, registration or recordation.

21. MISCELLANEOUS -

21.1 LATE CHARGES ON OVERDUE PAYMENTS - Any nonpayment of rent or other amounts due hereunder shall result in the obligation on the part of Lessee promptly to pay also an amount equal to fifteen percent (15%) per annum (or the maximum per annum rate of interest permitted by law, whichever is less) of the overdue rent or other amounts for the period of time during which they are overdue.

21.2 NOTICES - Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States mails, certified, return receipt requested, postage prepaid, addressed to either party at its address set forth herein, or to such other address as either party shall hereafter furnish to the other in writing.

21.3 ENTIRE AGREEMENT; SEVERABILITY: EFFECT AND MODIFICATION OF LEASE - This Lease constitutes the entire agreement between the parties with respect to the leasing of the Equipment. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction, shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers of Lessor and Lessee.

21.4 EXECUTION IN COUNTERPARTS - This Lease and any Rental Schedules hereunder may be executed in several counterparts, only one of which shall be conspicuously marked "original" and shall be deemed to be the original, which such original shall be delivered to Lessor or its assigns. If this Lease or any Rental Schedule is executed in several counterparts, all counterparts other than that marked original shall be conspicuously marked "duplicate".

21.5 GOVERNING LAW - Lessor and Lessee agree that this Lease shall be governed by and construed in accordance with the laws of Massachusetts.

21.6 LESSOR'S RIGHT TO PERFORM FOR LESSEE - If Lessee fails to duly and promptly perform any of its obligations under this Lease (except for the payment of rent) or fails to comply with any of the covenants or agreements contained herein, Lessor may itself perform such obligations or comply with such covenants or agreements, for the account of Lessee without thereby waiving any default, and any amount paid or expense (including reasonable attorneys' fees) incurred by Lessor in connection with such performance or compliance shall, together with interest thereon at the rate of fifteen percent (15%) per annum (providing such rate does not exceed the maximum rate permitted by law, in which event the maximum rate permitted by law shall apply) be payable by Lessee to Lessor on demand.

21.7 AGREEMENT FOR LEASE ONLY - Lessor and Lessee agree that this Lease is and is intended to be a true lease (and not a lease intended as security or a lease in the nature of a security interest) and further agree to treat same as a true lease for all purposes, including, without limitation, legal, tax, clerical and accounting.

22. OPTION TO RENEW AND/OR PURCHASE AT FAIR MARKET VALUE - Upon the expiration of the initial term or any renewal term with respect to each Rental Schedule, provided that Lessee has paid all rentals and all other sums then due by Lessee to Lessor, or which would become due upon request of Lessor, as required under the provisions of this Lease, and provided that no Event of Default, and no event which with the giving of notice or lapse of time; or both, would constitute such an Event of Default, has occurred and then remains unremedied to Lessor's satisfaction, Lessee shall have the options, exercisable on at least 180 days prior written notice to Lessor: (1) to purchase all, but not less than all (except for items that have been destroyed or lost or taken and for which Lessor has received payment of the Stipulated Loss Value with respect thereto) of the Equipment at a price that would be obtained in an arms length transaction between an informed and willing seller and an informed and willing purchaser and also (2) to renew the Lease term with respect to all, but not less than all (except for items that have been destroyed and for which Lessor has received payment of the Stipulated Loss Value with respect thereto) of the Equipment then subject to said Rental Schedule for five (5) successive additional terms (each of which being herein called a "Renewal Term") of one year each at a rental for each such Renewal Term, at a rate that would be obtained in an arms-length transaction between an informed and willing prospective lessee and an informed and willing lessor under no compulsion to lease (said price and rate being herein collectively called the "Fair Market Value").

If, on or before a date 135 days prior to the expiration of the initial term or any Renewal Term with respect to each Rental Schedule, Lessor and Lessee are unable to agree upon a determination of the Fair Market Value relating to the Equipment, Lessee shall have no obligation to purchase the Equipment or renew this Lease. However, if Lessee wishes to proceed with its option, such value shall be determined in accordance with the procedure for Appraisal.

Appraisal shall mean a procedure whereby two recognized independent equipment appraisers, one chosen by Lessee and one by Lessor shall mutually agree upon the amount in question. Lessor or Lessee, as the case may be, shall deliver a written notice to the other party appointing its appraiser within 15 business days after receipt from the other party of a written notice appointing that party's appraiser. If within 15 days after appointment of the two appraisers as described above, the two appraisers are unable to agree upon the amount in question, a third recognized independent appraiser shall be chosen within five days thereafter by the mutual consent of such first two appraisers or, if such first two appraisers fail to agree upon the appointment of a third appraiser, such appointment shall be made by an authorized representative of the American Arbitration Association or any organization successor thereto. The decision of the appraisers so appointed and chosen shall be given within a period of ten (10) days after the selection of such third appraiser. The average of the three appraisals arrived at by said three

appraisers shall be binding and conclusive on Lessor and Lessee. Lessor and Lessee shall pay the fees and expenses of the respective appraisers appointed by them and shall share equally the fees and expenses of the third appraiser, if any, and those of the American Arbitration Association, if applicable.

After a determination of the Fair Market Value relating to the Equipment has been made in accordance with the procedure described above, Lessee shall exercise its option to purchase the Equipment or renew the Lease for the Fair Market Value thereof by delivering written notification of such exercise to Lessor not less than ninety (90) days prior to the expiration of the term of each Rental Schedule.

If Lessee has elected to renew the Lease pursuant to this option, the renewal rentals shall be payable on the same day of each rental period consistent with the rental payment dates of the original term of the Lease commencing with the first rental period after the expiration of the initial term and continuing until the expiration of the Renewal Term(s).

IN WITNESS WHEREOF, Lessor and Lessee, each pursuant to the due authority, have caused these presents to be signed in their respective names by their duly authorized officers and their corporate seals, if applicable, to be hereunder affixed and duly attested, as of the date first above written. The obligations of National Railway Utilization Corp. and Pickens Railroad Company as lessees hereunder are joint and several.

(Corporate Seal)

CBT LEASING CORPORATION

(LESSOR)

By _____

ATTEST

By _____

Its _____

COMMONWEALTH OF

:

ss:

COUNTY OF _____ :

On this _____ day of _____, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is _____ of _____ that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)

Notary Public

My Commission expires:

NATIONAL RAILWAY UTILIZATION CORPORATION
(LESSEE)

(Corporate Seal)

ATTEST:

By _____
Secretary

By _____

Its _____

COMMONWEALTH OF _____ :

ss:

COUNTY OF _____ :

On this _____ day of _____, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is _____ of _____ that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)

Notary Public

My Commission expires:

PICKENS RAILROAD COMPANY
(LESSEE)

(Corporate Seal)

ATTEST: /

By _____
Secretary

By _____

Its _____

COMMONWEALTH OF _____ :

ss:

COUNTY OF _____ :

On this _____ day of _____, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is _____ of _____ that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Notarial Seal)

Notary Public

My Commission expires:

EXHIBIT A

CERTIFICATE OF INSPECTION AND ACCEPTANCE

Pursuant to Equipment Lease dated as of July 16, 1979 (the "Lease") by and between CBT Leasing Corporation ("LESSOR") and National Railway Utilization Corporation and Pickens Railroad Company ("LESSEE").

The undersigned, being the duly authorized representative of the Lessor and Lessee hereby CERTIFIES that the following units of equipment (the "Equipment") referred to in the Lease between the Lessor and the Lessee,

<u>Quantity</u>	<u>Description</u>	<u>Road Number</u>
Fifty	50'6" - 70-ton, Type XM Railroad Boxcars	NSL 150850 through NSL 150899

have been duly delivered to the Lessor in good order and duly inspected and accepted by the undersigned as of the date hereof on behalf of the Lessor, and have thereby been duly delivered by the Lessor to the Lessee and have been duly accepted and inspected by the undersigned on said date on behalf of the Lessee as conforming in all respects with the requirements and provisions of the Lease.

<u>Date</u>	<u>Duly Authorized Representative of Lessor and Lessee</u>
	<u>Title</u>

RENTAL SCHEDULE NO. CBT-01 to Equipment Lease dated as of July 16, 1979 (the "Lease") by and between the undersigned, the terms and conditions of which are hereby incorporated herein by reference. Lessee hereby: (a) authorizes Lessor to order for lease to Lessee the equipment described herein (the "Equipment") and to insert hereon the Lease Commencement Date and the partial first period's rent (if any) for such Equipment upon Lessee's acceptance of same for lease, (b) agrees to lease such Equipment from Lessor effective the Lease Commencement Date thereof and for the lease term specified below, and (c) agrees to pay Lessor the rent, in the amount and at the times specified below, for each item of Equipment. All of the terms used herein which are defined in the Lease shall have the same meaning as so defined.

<u>DESCRIPTION</u>	<u>ROAD NUMBERS</u>	<u>ACQUISITION COST</u>
50'6" 70 ton	NSL 150850	\$40,550 per unit
Type XM railroad boxcars	through	\$2,027,500 total
(Fifty units of Equipment)	NSL 150899	

This Rental Schedule is for a term of 40 quarters (plus approximately 80 days partial first period term). The Lease Commencement Date is July 23, 1979. The partial first period rent of \$15.36 per day per unit of Equipment is payable together with \$69,112.20 regular quarterly rent on the 15th day of October 1979, followed by equal payments of regular rent as above in arrears on the 15th day of each succeeding quarter thereafter. (January 15, April 15, July 15, October 15 of each year). Lessee has the option of extending this Lease for up to 5 years.

Name and address of Vendor of Equipment: Whittaker Corporation
(Berwick Forge & Fabricating Division), Renovo, Pennsylvania

CBT LEASING CORPORATION (LESSOR)	By _____ (authorized signature)
Date _____	Its _____ (title)
PICKENS RAILROAD COMPANY (LESSEE)	NATIONAL RAILWAY UTILIZATION CORPORATION (LESSEE)
By _____ (authorized signature)	By _____ (authorized signature)
Its _____ (title)	Its _____ (title)
State _____	Date _____

Schedule A ("Stipulated Loss Value") to Equipment Lease dated as of July 16, 1979, among National Railway Utilization Corporation and Pickens Railroad Company (Lessee) and CTB Leasing Corporation (Lessor).

During the quarterly rental period indicated in Column 1, the Stipulated Loss Value for that time is an amount equal to the percentage of the Acquisition Cost of the Equipment (as those terms are defined in the Lease) shown in Column 2.

<u>COLUMN 1</u>	<u>COLUMN 2</u>	<u>COLUMN 1</u>	<u>COLUMN 2</u>
1	102.8	31	42.5
2	102.6	32	40.2
3	102.4	33	37.8
4	101.9	34	35.3
5	101.0	35	32.7
6	100.1	36	30.1
7	98.8	37	27.5
8	97.7	38	24.9
9	96.7	39	22.2
10	95.6	40	20.0
11	94.5	41	20.0
12	93.4	42	20.0
13	86.0	43	20.0
14	84.8	44	20.0
15	83.6	45	20.0
16	82.2	46	20.0
17	80.7	47	20.0
18	79.2	48	20.0
19	77.7	49	20.0
20	76.2	50	20.0
21	68.4	51	20.0
22	66.7	52	20.0
23	65.0	53	20.0
24	63.2	54	20.0
25	61.3	55	20.0
26	59.4	56	20.0
27	57.4	57	20.0
28	55.3	58	20.0
29	47.1	59	20.0
30	44.8	60	20.0

Lessee (initial) _____

Lessee (initial) _____

Lessor (initial) _____

EXHIBIT B

Equipment

Quantity and Type: Fifty 50'-6" 70-ton general purpose box cars,
Type XM

Lessee's Identifying Numbers: NSL 150850 (inclusive)
through
NSL 150899

Aggregate Acquisition Cost \$2,027,500

Builder Whittaker Corporation
(Berwick Forge and
Fabricating Division)

Place of Delivery Renovo, Pennsylvania

EXHIBIT C

ASSIGNMENT OF LEASE

CBT Leasing Corporation ("Assignor"), a Massachusetts corporation, hereby assigns and transfers to Equitable Leasing Corporation, a North Carolina corporation, ("Assignee") all of Assignor's right, title and interest in and to the Equipment Lease dated as of the date hereof and all rental schedules and supplements thereto ("Lease") of which National Railway Utilization Corporation and Pickens Railroad Company, with addresses, respectively, at 1100 Centre Square East, 1500 Market Street, Philadelphia, Pennsylvania 19101 and at Cedar Rock Street, Pickens, South Carolina 29671, are lessee and Assignor is lessor, together with all rentals and other moneys coming due thereunder and all proceeds of insurance, condemnation and requisition proceedings and sale or other dispositions of any of the property subject thereto payable to or receivable by the Assignor under or in connection therewith, and all rights, powers and remedies of Assignor under the Lease, including, exclusively on the part of the Assignee, all rights of the Assignor to give and receive any notice, consent, waiver, demand or approval under or in respect of the Lease, to exercise any election or option thereunder or in respect thereof, to accept any surrender or any property subject thereto, to execute and deliver any bill of sale for any such property, and to do all other things which Assignor is entitled to do under the Lease.

Assignor authorizes Assignee to do every act and thing in the name of the Assignor, Assignee or otherwise which Assignee may deem advisable to enforce the terms of the Lease, and the Assignor hereby irrevocably appoints Assignee the true and lawful attorney for the Assignor with full power of substitution and revocation, together with full power and authority in the name of the Assignor, Assignee or otherwise, to demand, enforce, collect, receive, receipt and give releases for any moneys due or to become due under or arising out of the Lease or any policy of insurance or indemnity relating to the property subject thereto or the Lease (including any returns of premium), to endorse all checks and other instruments payable to Assignor, and to do and take all such other actions as are referred to in the preceding paragraph relating to the Lease or such property, to file any claims or institute any proceedings for the foregoing which Assignee deems necessary, and to compromise any such demand, claim or action. However, unless an Event of Default shall have occurred and be continuing under a Security Agreement dated as of July 16, 1979 given by Assignor in favor of Assignee, Assignee shall exercise none of the rights herein assigned without the prior consent of the Assignor (which consent shall not be unreasonably withheld). Further, Assignee shall give notice to Assignor of its intent to exercise any rights herein assigned.

This Assignment is made pursuant to and for the purposes of the aforementioned Security Agreement of even date herewith given by Assignor to Assignee to secure the payment of Assignor's Note and other obligations as provided therein. And neither this Assignment

nor the Security Agreement is an assignment of or delegation of performance of the duties or burdens placed on the Assignor by or under the Lease, which duties and burdens are hereby specifically reserved by the Assignor.

Executed as of July 16, 1979

CBT LEASING CORPORATION

Attest

Secretary

By _____
President

(Corporate Seal)

STATE OF

COUNTY OF

On this day of , before me personally appeared , to me personally known, who, being by me duly sworn, says that he is President of , that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

My Commission Expires:

By _____
President

Secretary

STATE OF
COUNTY OF

Notary Public

My Commission Expires:

WE CONSENT TO THE ATTACHED ASSIGNMENT OF LEASE DATED AS OF JULY 16, 1979 BY CBT LEASING CORPORATION IN FAVOR OF EQUITABLE LEASING CORPORATION.

Attest

NATIONAL RAILWAY UTILIZATION CORPORATION

Secretary

By _____
President

(Corporate Seal)

STATE OF

COUNTY OF

On this day of , before me personally appeared , to me personally known, who, being by me duly sworn, says that he is President of , that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

My Commission Expires:

Attest

PICKENS RAILROAD COMPANY

Secretary

By _____
President

(Corporate Seal)

STATE OF

COUNTY OF

On this _____ day of _____, before me personally appeared _____, to me personally known, who, being by me duly sworn, says that he is _____ President of _____, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

My Commission Expires: _____